



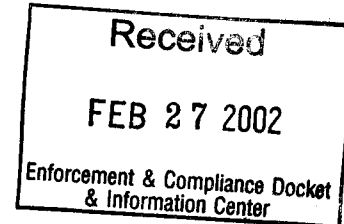
EC-2000-007  
1U-D-082

## Kansas Corporation Commission

Bill Graves, Governor   John Wine, Chair   Cynthia L. Claus, Commissioner   Brian J. Moline, Commissioner

February 26, 2002

Environmental Protection Agency  
Enforcement and Compliance Docket and Information Center  
Mail Code 2201A  
Attn: Docket Number EC-2000-007  
1200 Pennsylvania Avenue NW  
Washington DC 20460



Ref:   Comments on Establishment of Electronic Reporting;  
      Electronic Records - Docket Number EC-2000-007  
      Cross-Media Electronic Reporting and Recordkeeping Rule (CROMERRR)

Gentlemen:

Thank you for the opportunity to provide comments on Cross-Media Electronic Reporting and Recordkeeping Rule (CROMERRR). By way of background the Kansas Corporation Commission Conservation Division is the state agency responsible for the regulation of all oil and gas exploration and production related operations in Kansas. A critical part of that regulatory oversight is the management of our Class II Underground Injection Control (U.I.C.) program. This 1425 U.I.C. program is operated through a primacy agreement with the U.S. Environment Protection Agency (U.S. EPA). As we look to the future of receiving electronic reports under this particular program it is important that we understand how certain elements of CROMERRR would impact plans for such reporting.

The Kansas Corporation Commission (KCC) utilizes a Risk Based Data Management System (RBDMS) as its primary data management tool for tracking U.I.C. wells and activity within the state. This system, developed through a cooperative effort of a number of state agencies, the Ground Water Protection Council (GWPC), and the U.S. Department of Energy is in place in a number of state oil and gas agencies. The customized version of RBDMS that we use was designed and implemented in such a way as to assist in reporting of U.I.C. activity to U.S. EPA under applicable 1425 program requirements. Our data management staff, using the information we currently have available to us, estimates that the cost to modify our existing database systems to become CROMERRR compliant may be in the order of \$500,000 to \$1,000,000. In a time of very tight State budgets our agencies' ability to make such modifications is very doubtful. In addition it would appear that the timeframes for "voluntary" compliance with CROMERRR implementation schedules are extremely suspect and unworkable. Attached, for your review is a brief analysis of concerns raised by KCC information resource personnel with regard to CROMERRR requirements.

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Docket Number EC-2000-007  
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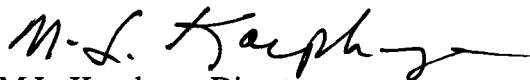
The potential fiscal impact of CROMERRR on companies and individuals that operate the majority of injection wells in Kansas is also a factor, which we believe needs further evaluation. Most of the 2021 licensed oil and gas operators in Kansas do not have the personnel or funding which would allow compliance with the electronic reporting section of CROMERRR using current software technologies. Strict requirements for such items as archiving routines, verification of data submitted, and encryptions will have an initial net effect of increasing compliance costs to small producers.

If U.S. EPA is unwilling to withdraw from enactment of the CROMERRR initiative then at a minimum it should consider additional investigation into associated costs and difficulties of implementation at the program level. In that regard we would note that the Interstate Oil and Gas Compact Commission of which Kansas is a founding member has provided U.S. EPA with several recommendations with regard to CROMERRR. We would echo those recommendations particularly with regard to the following.

- That prior to implementation of the rule, all state programs should be allowed to investigate and mitigate the ramifications this rule will have on their budgets
- That the EPA provide time and resources for states to determine which databases within state agencies affected have the capacity to be modified to meet CROMERRR requirements, and specifically which databases will be required to be converted to a new CROMERRR-compliant database format
- That time and resources should be provided by EPA for states to perform cost/benefit analysis
- That EPA hold additional public comment meetings within each of the 10 EPA regions prior to ending the public comment period and any implementation of the rule

Again, thank you for allowing the Conservation Division to provide comment with regard to this important issue.

Respectfully submitted,



M.L. Korphage, Director  
Conservation Division

Att: Attachment I  
CC: John Wine, Commission Chair  
Cynthia Claus, Commissioner  
Brian Moline, Commissioner  
Jeff Wagaman, Executive Director  
Jon McKenzie, Director of Information Resources  
File

**ATTACHMENT - I**  
**KANSAS CORPORATION COMMISSION**  
**CONSERVATION DIVISION**  
**COMMENTS ON ESTABLISHMENT OF ELECTRONIC REPORTING;**  
**ELECTRONIC RECORDS**  
**Cross-Media Electronic Reporting and Recordkeeping Rule (CROMERRR)**  
**DOCKET NUMBER EC-2000-007**

**Analysis of CROMERRR Issues**  
**Evaluated by the Information Resources Section of the Kansas Corporation**  
**Commission, Conservation Division:**  
Donna L. Dill, Supervisor

With the procedures and requirements of the U.S. EPA CROMERRR initiative not being clearly defined, it is impossible to truly estimate the impact to the KCC on software, hardware, programming, procedure definition, personnel training, etc. However, some of the CROMERRR requirements for acceptable electronic records raise immediate concern. The main points to consider are:

- Maintaining electronic records that may not be altered without detection.
- Specific requirements for audit trails.
- Making sure record changes do not obscure previously recorded information.
- Ensuring electronic records and documents are searchable and retrievable.
- Ability to transfer records/meta data into a new system.

Considering the above issues in terms of specific electronic formats applicable to the Division demonstrates that we are simply not in a position to be able to satisfy the prospective CROMERRR requirements:

1. KCC Risk Based Data Management System (RBDMS) – There is currently no capability for the Division to maintain our SQL records in a manner that is truly undetectable for alteration. To be able to do this, the Division would have to have a way to write complete records to hardware containing a non-alterable, non-erasable media both before and after each change, along with an audit trail, and be able enforce this both through MS Access forms and with direct SQL table data changes. If this can be accomplished in a manner to satisfy the CROMERRR requirements, it would certainly require additional hardware and software, and many hours of programming.
2. MS Access applications – The Division keeps some electronic data in MS Access applications where the data does not reside in SQL. These pose an even larger problem than well data in RBDMS, as changes to records are even more difficult to audit and maintain in a non-alterable fashion.
3. Other MS Office Applications documents – The Division does not currently have any way to satisfy CROMERRR requirements for documents created with standard software applications such as Word, Excel, and PowerPoint. These are standard software applications not only within the KCC, but also throughout the business world. To our knowledge, no comparable software exists which will

allow us to satisfy CROMERRR requirements and still maintain the flexibility to be effective in our jobs.

Critical issues no matter what application or process is considered by the Division:

1. To our knowledge, secure, computer-generated, time-stamped audit trails on all electronic documents are simply not possible with current hardware/software.
2. Maintaining all electronic records and documents in an un-alterable form, if possible at all, would require purchase of new hardware/software that would handle this media. This would require enormous electronic storage facilities.
3. The Division would have to devise new procedures for document identification. (On some documents we might be able to use a combination of API or Docket Number, KCC Form Name, and Received Date. For other documents we receive where any portion of the information we receive is translated into an electronic format, we would have to set up new procedures.) This could translate into significant personnel time requirements, and in additional personnel training being necessary.
4. The ability to make sure our current records can be functionally transferred to a new system at some point in the future is a true unknown.

At this point, it is impossible for the information resources section to estimate the true impact to the KCC if the CROMERRR requirements are fully implemented, especially as exact requirements are not clearly defined. It is easy to see how converting just the Division's customized version of RBDMS to meet the requirements could easily carry a total cost in the range of \$500,000 to \$1,000,000.